

COMMENTS OF THE TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

Prepared for the
California Energy Commission
Joint Committee Workshop on In-state and Interstate
Transmission and Potential In-state Corridors:

**“Barriers, Trends and Issues Associated with
Regional Transmission Expansion Projects”**

May 14, 2007

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Chairman, TANC

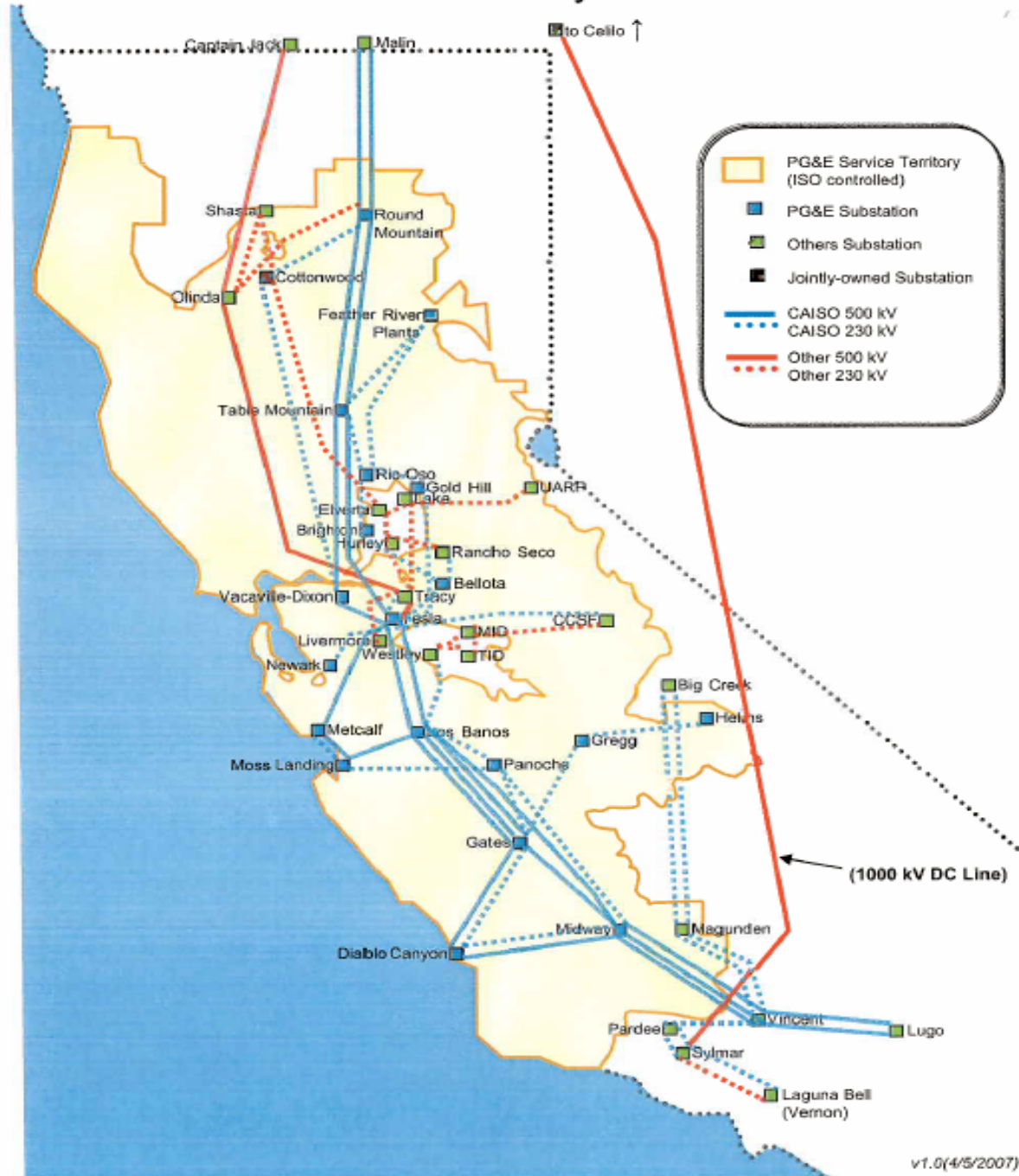
TANC Comments on Barriers, Trends and Issues Associated with Regional Transmission Projects

- TANC is a Joint Powers Agency formed Under California Law in 1984
- TANC's Members include the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah; the Plumas-Sierra Rural Electric Cooperative; the Sacramento Municipal Utility District; the Modesto Irrigation District; and the Turlock Irrigation District
- **TANC develops, finances, owns, and operates transmission for these 15 publicly-owned utilities**

TANC Comments on Barriers, Trends and Issues Associated with Regional Transmission Projects

- TANC is the Majority Owner and Project Manager for the COTP, one of the three 500kV lines comprising the Pacific AC Intertie to the Pacific Northwest
- The COTP is operated in coordination with the other two lines, with respect to ratings and curtailments, and operates in the SMUD-Western Control Area
- The other two lines are operated in the CA-ISO Control Area
- **The CA-ISO is the “Path Operator” for the three-line system in California, and helps ensure reliable operations**

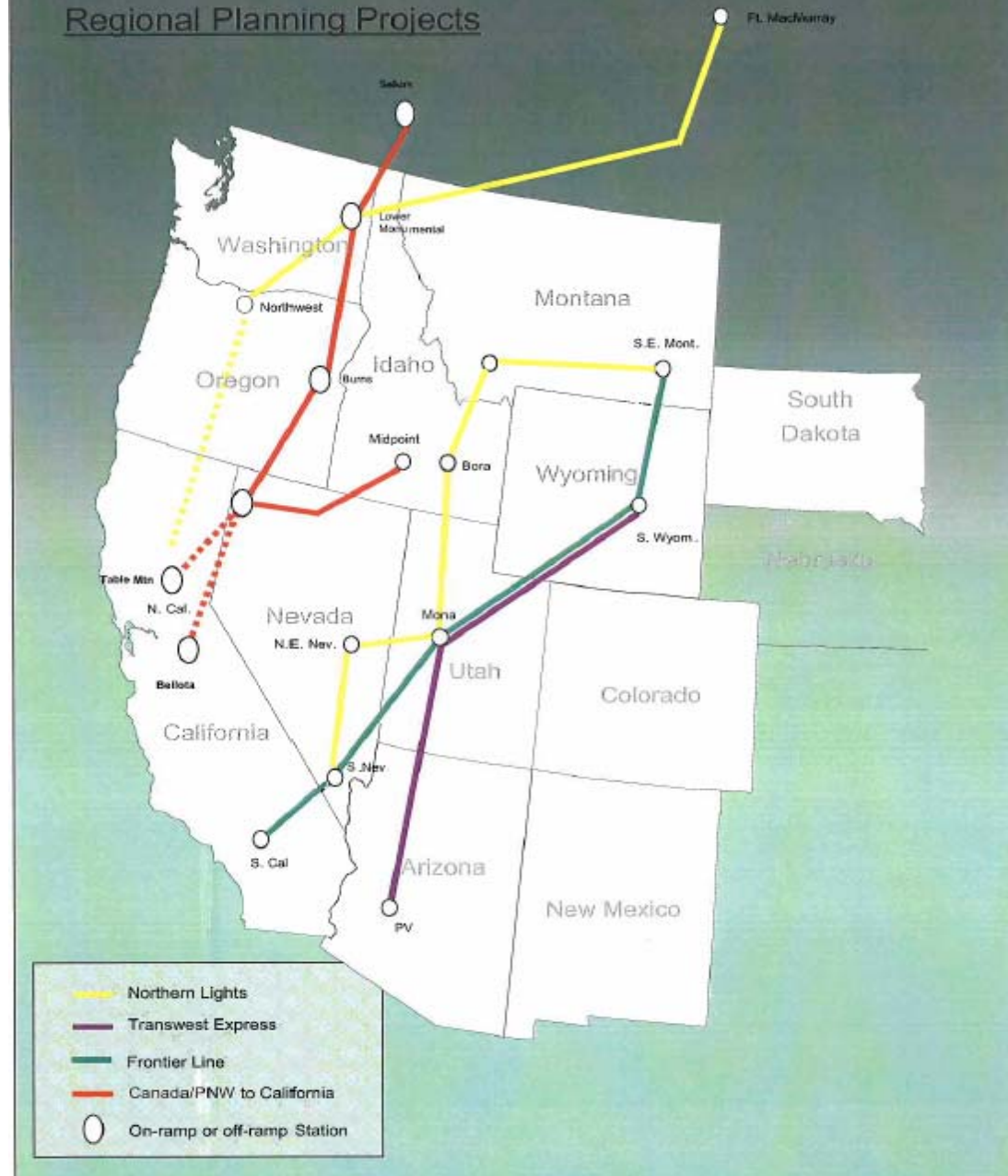
California Transmission System Control Areas



TANC Comments on Barriers, Trends and Issues Associated with Regional Transmission Projects

- TANC's interests in this Panel discussion center on TANC Members' interests in the Northern California to British Columbia Project, discussed in the Previous Panel by PG&E
 - TANC is currently a Partner/Co-Sponsor with PG&E and the other interested Utilities in that Project,
- TANC also monitors other Regional Transmission Project developments, such as the "Frontier Project"
- **TANC'S MEMBERS ARE LOOKING AT NEW TRANSMISSION TO PROVIDE NEW AND ADDITIONAL ACCESS TO RENEWABLE RESOURCES**

Regional Planning Projects



TANC Comments on Barriers, Trends and Issues Associated with Regional Transmission Projects

- TANC and its Members are proud of their history of getting Transmission Projects done JOINTLY
 - COTP, in operation for more than 13 years
 - Mead-Phoenix and Mead-Adelanto, in operation for more than 10 years
 - Initial study and environmental work that turned into the Path 15 project, operating now for the last several years
- **TANC believes that joint transmission project development, among its own Members and with others, is the proper approach to transmission development**

TANC Comments on Barriers, Trends and Issues Associated with Regional Transmission Projects

- **TANC CONTINUES TO URGE THE COMMISSION TO FOCUS ITS ACTIONS ON ASSISTING AND ENCOURAGING TRANSMISSION DEVELOPMENT**
 - Specifically to focus on actions likely to alleviate or remove impediments and barriers to adding needed transmission
- TANC has participated in the CEC processes to advance transmission project development
 - Sponsored written testimony in the SB1059 Corridor Designation Workshop
 - Submitted, on behalf of its Members, in-state transmission expansion plans in this IEPR process
 - Participating in two of the Panels in today's Workshop

TANC Comments on Barriers, Trends and Issues Associated with Regional Transmission Projects

- **POTENTIAL BARRIERS TO TRANSMISSION PROJECTS INCLUDE THE MANAGING THE RISKS OF:**
 - Varying and competing policies and laws in California and states adjacent to it, in which transmission permits and certificates are required
 - Legal and environmental challenges and delays, and the potential to miss mandated deadlines as a result of such delays
 - Handling the difficulty of aligning the interests of all decision-makers in joint projects, and in getting all approvals timely

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- POTENTIAL BARRIERS (cont'd)
 - Assuming an obligation to finance construction today of transmission that is needed for the future
 - Dealing in a power market structure that does not confer ownership rights to a transmission owner
 - Making investments in the face of uncertainty as to the priorities and longevity of existing policies
 - Once committed to a project, responding to potential changing political and environmental policies and priorities
 - Conflicting decisions regarding appropriate land uses among various agencies with jurisdiction

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- **QUESTIONS?**

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